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QUACHITA PARISH SHERIFF
Mooros, Louisiana

**Component Unit Financial Statements
With Independent Auditors' Report**

**As of and for the Year Ended
June 30, 1981**

With Supplemental Information Schedules

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Release Date 1/16/82

OUACHITA PARISH SHERIFF
MONROE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30,2003

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**Lufley
Huffman
& Monroe**

An Partnership Accounting Organization
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Ouachita Parish Sheriff Merroe, Louisiana

We have audited the component unit financial statements of the Ouachita Parish Sheriff (a component unit of the Ouachita Parish Police Jury) as of June 30, 2001, for the year then ended, as listed in the Table of Contents. These component unit financial statements are the responsibility of the Ouachita Parish Sheriff's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit. We did not audit the financial activities of the Tax Collector Agency Fund, which reflects total assets and liabilities of \$3,208,197 as of June 30, 2001 and increases and decreases in assets and liabilities of \$62,874,105 and \$63,895,791, respectively, for the year then ended. Those activities were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tax Collector Agency Fund, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide, issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinion.

In our opinion based on our audit and the report of other auditors, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Ouachita Parish Sheriff as of June 30, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Ouachita Parish Sheriff
Independent Auditors' Report**

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The schedules listed in the Table of Contents as Supplementary Information are presented for the purpose of additional analysis and are not a required part of the component unit financial statements of the Ouachita Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly presented in all material respects in relation to the component unit financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated December 27, 2001, on our consideration of the Ouachita Parish Sheriff's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

As discussed in Note 10, the Ouachita Parish Sheriff is a defendant in several lawsuits. The ultimate outcome of these matters cannot presently be determined. Accordingly, no provision for any liability that may result upon adjudication has been made in the accompanying component unit financial statements.



(A Professional Accounting Corporation)

December 27, 2001

COMPONENT UNIT FINANCIAL STATEMENTS

QUACHITA PARISH SHERIFF
HOUSHOE, LOUISIANA
CONDENSED BALANCE SHEET, JUNE 30, 2001
ALL FUND TYPES AND ACCOUNT GROUPS

ASSETS AND OTHER DEBITS

Cash and cash equivalents
 Investments
 Receivables
 Due from other funds
 Office furnishings and equipment
 Amount to be provided for retirement
 of long-term obligations

TOTAL ASSETS AND OTHER DEBITS

LIABILITIES AND FUND EQUITY

Liabilities
 Accounts Payable
 Accrued Payroll & Other
 Due to other funds
 Due to taxing bodies and others
 Deferred revenue
 Contingent liabilities payable
 Total Liabilities

Fund Equity
 Investment in general fund assets
 Fund balance - unrestricted/undesignated
 Total Fund Equity

TOTAL LIABILITIES AND FUND EQUITY

	Commercial Fund Type - General	Fiduciary Fund Type - Agency	Account Groups--			Total (Nonreversion Only)
			General Fund	General Invest	Long-Term Obligations	
\$	\$	\$	\$	\$	\$	\$
	494,348	1,311,900	-	-	-	1,806,248
	1,042,297	-	-	-	-	1,042,297
	179,115	-	-	-	-	179,115
	879	-	-	-	-	879
	-	-	4,710,490	-	-	4,710,490
	-	-	-	-	254,454	254,454
\$	3,616,559	1,311,900	4,710,490	194,495	-	10,733,544
<hr/>						
\$	\$	\$	\$	\$	\$	\$
	294,494	-	-	-	-	294,494
	146,530	-	-	-	-	146,530
	-	479	-	-	-	479
	-	1,553,404	-	-	-	1,553,404
	61,960	-	-	-	-	61,960
	-	-	-	494,494	-	494,494
	315,937	1,553,400	-	254,454	-	3,123,841
<hr/>						
\$	294,494	1,553,400	4,710,490	-	-	6,558,384
	1,042,297	-	-	-	-	1,042,297
	179,115	-	4,710,490	-	-	5,931,900
\$	294,494	1,553,400	4,710,490	494,494	-	11,073,544

The accompanying notes are an integral part of this statement.

OUACHITA PARISH SHERIFF
MONROE, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET
(GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Or Unfavorable)</u>
Revenues			
Taxes - as valorem	\$ 1,000,000	\$ 938,231	\$ 938,231
Intergovernmental revenues:			
Federal grants	486,000	354,619	(111,381)
State grants:			
State revenues sharing (net)	272,000	348,279	(22,221)
State supplemental pay	828,000	857,328	(176,472)
Other state funds	-	-	-
Fees, charges, and commissions for services:			
Civil and criminal fees	990,000	1,058,900	68,900
Commission on licenses and taxes	287,000	268,214	(28,786)
Court attendance	25,000	38,500	13,500
Transportation of prisoners	35,000	20,098	(14,902)
Feeding and keeping of prisoners	2,680,000	2,868,995	288,995
Tax collect, etc.	22,000	54,685	32,685
Other	248,000	334,817	76,817
Use of money and property - interest	-	128,675	128,675
Other	181,708	153,886	59,826
Total revenues	<u>10,974,708</u>	<u>12,368,855</u>	<u>1,395,255</u>
Expenditures			
Public safety:			
Current:			
Personal services and related benefits	9,429,108	9,823,762	(152,662)
Operating services	892,508	792,320	88,380
Materials and supplies	467,500	567,621	(98,321)
Travel and other charges	88,208	28,682	(8,493)
Capital outlay	197,588	308,302	(162,603)
Total expenditures	<u>10,884,908</u>	<u>11,238,297</u>	<u>(373,692)</u>

(Continued)

QUACHITA PARISH SHERIFF
MONROE, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET
(GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011 (CONCLUDED)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess of Revenues Over Expenditures	<u>106,600</u>	<u>1,131,638</u>	<u>1,025,038</u>
Other Financing Sources			
Sale of assets	-	4,975	4,975
Compensation for damage to assets	<u>10,000</u>	<u>20,500</u>	<u>500</u>
Total other financing sources	<u>10,000</u>	<u>24,575</u>	<u>4,975</u>
Excess of Revenues and Other Sources Over Expenditures	116,600	1,146,213	1,026,333
Fund Balance at Beginning of Year	<u>2,251,478</u>	<u>2,251,478</u>	-
FUND BALANCE AT END OF YEAR	\$ <u>2,371,578</u>	\$ <u>3,397,711</u>	\$ <u>1,026,333</u>

The accompanying notes are an integral part of this statement.

**QUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 17 of the Louisiana Constitution of 1974, the sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and executes duties required by the parish court system, such as providing bailiffs, executing orders of the court and serving subpoenas. As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

The sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of programs such as neighborhood watch and anti-drug abuse. Additionally, the sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Ouachita Parish Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001**

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse and courthouse annex in which the sheriff's offices are located, the sheriff was determined to be a component unit of the Ouachita Parish Police Jury financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, for general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The sheriff uses funds and account groups to report on financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fund assets and general long-term obligations) that are not recorded in the "Funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of governmental and fiduciary funds as described below:

OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001

Governmental Fund – General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1423, is the principal fund and is used to account for the operations of the sheriff's office. The sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners and revenues from various grant agencies. General operating expenditures are paid from this fund.

Fiduciary Funds – Agency Fund Type

The agency funds are used as depositories for civil suits, fines, cash bonds, taxes, fees, inmate funds and other items. Disbursements from the funds are made to various parties in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. FIXED ASSETS AND LONG-TERM OBLIGATIONS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the police jury are not recorded in the general fixed assets account group. General Fixed Assets purchased are recorded at cost. Donated fixed assets are valued at their market value on the date of donation. No depreciation has been provided on general fixed assets.

Long-term obligations, such as compensated absences payable, expected to be financed from the General Fund are reported in the general long-term obligations account group. Expenditures for compensated absences are recognized in the General Fund when the leave is actually taken or when payment is made to the employee at termination or retirement.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001**

The modified accrual basis of accounting is used for reporting the governmental and fiduciary fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Based on the foregoing criteria, all valorem taxes, intergovernmental revenues and fees, charges, and commissions for services have been treated as susceptible to accrual. The sheriff uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1903 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are annually collected in December, January, and February of the fiscal year.

Intergovernmental revenues and fees, charges, and commissions for services are recorded when the sheriff is entitled to the funds.

Interest income on bank deposits and investments is recorded when the interest is earned and credited to the account.

Substantially all other revenues are recognized when received by the sheriff.

Expenditures

Expenditures are generally recognized under the modified accrual basis when the related fund liability is incurred.

Other Financing Sources

Proceeds from the sale of fixed assets and insurance recoveries are accounted for as other financing sources and are recognized when the underlying events occur.

ORACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001

E. BUDGET PRACTICES

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least ten days prior to the public hearing. Public hearings are held at the sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the sheriff and amended during the year, as necessary. Budgets are established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. At June 30, 2001, the sheriff has cash totaling \$4,041,317, as follows:

Cash in banks	\$ 4,040,417
Posty cash	<u>900</u>
Total	<u>\$ 4,041,317</u>

Time deposits are stated at cost, which approximates market. Under state law, these deposits, or the banking bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at June 30, 2001, is secured as follows:

Bank balance	\$ 4,062,845
Federal deposit insurance	\$ 1,108,800
Pledged securities (collateralized)	3,842,997
Pledged securities (noncollateralized)	<u>15,516,381</u>
Total	<u>\$ 19,529,883</u>

**COUCHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001**

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C28.106; however, Louisiana Revised Statute 38:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 38:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

G. INVESTMENTS

Under state law, the sheriff may invest funds in United States bonds, treasury notes, or certificates. As June 30, 2001, the sheriff has \$3,642,387 in money market funds which have underlying investments consisting solely of and limited to securities of the United States government or its agencies. This investment is stated at fair market value, which approximates cost. Because these investments are federally insured and held by the sheriff's agent in the sheriff's name, it is considered collateralized (Category 1) under the provisions of GASB Codification C28.106.

II. COMPENSATED ABSENCES

After one year of service, employees of the sheriff's office earn 8 day of vacation leave per year plus one day for each year of service, up to a maximum of 20 days. After three full months of service, employees earn sick leave at the rate of one day per month of service. There is no maximum number of hours that an employee may accumulate. Employees are not paid for accumulated sick leave upon separation from service. During year ended June 30, 2001 the sheriff's office change its compensated absence policy to include comp-time and holiday pay. Comp-time is accrued at 1.5 hours for each hour worked and holiday time is accrued at 1.5 hours for each holiday hour worked. If an employee leaves the employment of the sheriff's office, all accrued vacation, comp-time and holiday pay are paid to the employee.

At June 30, 2001, employees of the sheriff's office have accumulated and vested \$596,694 of employee leave benefits, which was computed in accordance with GASB Codification C60. This amount is recorded as compensated absences payable in the general long-term obligations account group.

OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001

I. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the sheriff maintains commercial insurance policies covering its property, automobiles, law enforcement professional liability, and surety bond coverage. The police jury maintains insurance coverage on the building and its contents. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2001.

1. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - LEVIED TAXES

For the year ended June 30, 2001, the ad valorem tax millage levied for the Ouachita Parish Sheriff was 11.52 mills on property, with a taxable value of \$970,697,651.

Note 3 - RECEIVABLES

The General Fund receivables of \$374,135 at June 30, 2001 are as follows:

<u>Class of receivable</u>	<u>\$</u>
Ad valorem taxes	44,794
Intergovernmental revenues - state funds	57,490
Fees, charges, and commissions for services:	
Court attendance	4,973
Tax Notices	11,243
Feeding Prisoners	125,866
Civil Fees	58,569
Other	34,371
Use of money and property	3,683
Others	<u>14,284</u>
Total	<u>\$ 374,135</u>

OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001

Note 4 - DUE FROM OTHER FUNDS

Individual balance due from/to other funds at June 30, 2001, are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 435	\$ -
Agency funds:		
Road Fund	-	218
Clearing Fund	-	5
Civil Fund	<u>-</u>	<u>252</u>
Total	\$ <u>435</u>	\$ <u>475</u>

Note 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended June 30, 2001, follows:

Balance at July 1, 2000	\$ 4,386,052
Additions	170,092
Deletions	<u>(125,554)</u>
Balance at June 30, 2001	\$ <u>4,738,590</u>

Note 6 - PENSION PLAN

Substantially all employees of the Ouachita Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (the system), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 per cent for each year if total service is at least 12 but less than 15 years, 2.75 percent for each year if total service is at least 15 but less than 20 years, and 3 per cent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 per cent for all service rendered on or after January 1, 1995). In any case, the retirement benefit cannot exceed 100 percent of their final-average

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001**

salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with value benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established and amended by state statute.

Plan members are required by state statute to contribute 9.7 percent of their annual covered salary and the Ouachita Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 6.0 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds are required and available from insurance premium taxes. The contribution requirements of plan members and the Ouachita Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:102, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Ouachita Parish Sheriff's contributions to the System for the years ended June 30, 2001, 2000, and 1999 were \$641,365, \$400,215, and \$404,076, respectively, equal to the required contributions were years.

The System issues an annual available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 70228, or by calling (336) 342-3191.

Note 7 - POST RETIREMENT BENEFITS

The Ouachita Parish Sheriff provides certain health care and life insurance benefits for retired employees. Substantially all of the sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the sheriff's office. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the sheriff. The sheriff recognizes the cost of providing these benefits (the sheriff's cost of premiums) as an expenditure when the monthly premiums are due, which are \$1,584,599, for the year ended June 30, 2000. Of this amount, \$242,327 was for retiree benefits.

OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001

Note 8 - CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balance due to taxing bodies and other follows:

	Balance at July 1, 2000	Additions	Reductions	Balance at June 30, 2001
Agency fund:				
Tax Collection	\$ 1,490,883	\$ 62,674,185	\$ (63,885,791)	\$ 2,268,197
Civil	681,943	1,676,425	(3,181,218)	97,158
Road	189,825	155,575	(219,808)	125,590
Criminal	-	5,519	(5,518)	(39,890)
Clearing	-	724,769	(724,769)	-
Insurance	73,048	293,050	(387,538)	-
Total	\$ 4,331,699	\$ 64,826,155	\$ (68,614,216)	\$ 2,523,676

Note 9 - ON-BEHALF PAYMENTS

Certain employees of the Ouachita Parish Sheriff's department receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the sheriff recorded revenues and expenditures for these payments in the General Fund. Revenues and expenditures under this arrangement totaled \$457,528.

Note 10 - COMMITMENTS AND CONTINGENCIES

At June 30, 2001, the Ouachita Parish Sheriff is involved in several lawsuits. No provision for any liability resulting from the lawsuits has been made in the accompanying financial statements.

**Note 11 - JOINT OPERATION OF HIBERNIA CENTER
FOR LAW ENFORCEMENT TRAINING**

On September 11, 1977, Hibernia National bank donated a building to the City of West Monroe, the Ouachita Parish Sheriff's Office and the City of Monroe, to be used solely for law enforcement purposes with the primary emphasis on training. The donation was made subject to a restriction on use that requires that the property be used solely for law enforcement purposes for a period of ten years from the date of donation and that the building be designated as "The Hibernia Center for Law

**OUACHITA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001**

Enforcement Training.¹² The Ouachita Parish Sheriff, the City of West Monroe, and the City of Monroe agreed to share equally the costs of improving and maintaining the building. The sheriff did not incur any expenditures related to the building during the year ended June 30, 2001.

**Note 13 - EXPENDITURES OF THE SHERIFF'S OFFICE
PAID BY THE PARISH POLICE JURY**

The sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Ouachita Parish Police Jury.

SUPPLEMENTARY INFORMATION SCHEDULES

**OUACHITA PARISH SHERIFF
SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDING JUNE 30, 2003**

FIDUCIARY FUND TYPE – AGENCY FUNDS

TAX COLLECTOR FUND

Article V., Section 27 of the Louisiana constitution of 1974 provides that the sheriff will serve as the collector of state and parish taxes, licenses, and fees. The Tax Collector fund is used to collect and distribute these taxes, licenses, and fees to the appropriate taxing bodies.

CIVIL FUND

The Civil fund accounts for the collection of funds in civil suits and sheriff's sales, and the payment of these collections to the sheriff's General Fund and other recipients in accordance with applicable laws.

BOND FUND

The Bond fund accounts for the collection of cash bonds and either the transfer of these collections to the Tax Collector fund for payment to recipients in accordance with applicable laws, or the refund to individuals.

CLEARING FUND

The Clearing Fund accounts for the collection of redemptions of prior years taxes and the subsequent payment of these collections to the recipients in accordance with applicable laws.

CRIMINAL FUND

The Criminal Fund accounts for the collection out-of-parish fees and the subsequent payment of these collections to the recipients in accordance with applicable laws.

INMATE FUND

The Inmate Fund accounts for funds belonging to the inmates at the Ouachita Correctional Center and the subsequent payment of these funds to the inmates upon their release or to the Ouachita Parish Police Jury for inmate store charges, medical charges, recreation and other items.

OUACHITA PARISH SHERIFF
MONROE, LOUISIANA
FIDUCIARY FUND TYPE - AGENCY FUNDS

COMBINING BALANCE SHEET, JUNE 30, 2001

	Tax Collector Fund	Civil Fund	Bond Fund	Couring Fund	Criminal Fund	Juvenile Fund	Total
ASSETS							
Cash and cash equivalents	\$ 2,268,197	\$ 97,128	\$ 136,019	\$ -	\$ -	\$ 21,518	\$ 2,422,862
Due from General Fund	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,268,197</u>	<u>\$ 97,128</u>	<u>\$ 136,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,518</u>	<u>\$ 2,422,862</u>
LIABILITIES							
Due to General Fund	\$ -	\$ 252	\$ 219	\$ -	\$ -	\$ -	\$ 471
Due to bonding holders and other	2,268,197	96,886	135,800	-	-	21,518	2,422,401
TOTAL LIABILITIES	<u>\$ 2,268,197</u>	<u>\$ 97,138</u>	<u>\$ 136,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,518</u>	<u>\$ 2,422,860</u>

**QUACHITA PARISH SHERIFF
SERVICES, LOUISIANA
FINANCIAL FUND TYPE - AGENCY FUNDS**

**COMBINING SCHEDULE OF CHANGES IN BALANCES
FOR THE YEAR ENDED JUNE 30, 2001**

	<u>Tax</u>		<u>Civil</u>		<u>Board</u>		<u>Quarry</u>		<u>Criminal</u>		<u>Inside</u>		<u>Total</u>	
	<u>Collector</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
Balance Forward Balances and														
Others - Beginning of Year	3	1,049,000	\$	400,000	\$	100,000	\$	-	\$	-	10,000	\$	4,241,000	
Additions														
Deposits														
Donations	-			2,142,000	-								2,142,000	
Trans. fund deposits and loans	2,653,200			100,000	100,000								2,853,200	
Other deposits	-			-	-	-							-	
All other deposits	15,241,200			-	-	-	700,000		1,000				15,942,200	
Interest and loans	194,000			-	-	-	-		-				194,000	
Inflow of taxes	300,000			-	-	-	-		-				300,000	
State revenue sharing	2,480,200			-	-	-	-		-				2,480,200	
Apportioned funds	-			-	-	-	-		-				-	
Project costs	1,240,200			-	-	-	-		-				1,240,200	
Interest on	-			-	-	-	-		-				-	
Debt service	120,112			-	-	-	-		-				120,112	
Profit taxes - interest payments	50,000			-	-	-	-		-				50,000	
Delinquencies	62,000			-	-	-	-		-				62,000	
Costs, advertising, utilities, etc.	40,111			-	-	-	-		-				40,111	
Total additions	12,741,100			2,142,000	100,000		700,000		1,000				13,684,100	
Total	13,790,300			2,142,000	100,000		700,000		1,000				14,624,100	
Subtractions														
Disbursements														
LA Dept. of Wildlife and Fisheries	200			-	-	-	-		-				200	
LA Dept. of Agriculture				-	-	-	-		-				-	
and Forestry	10,700			-	-	-	-		-				10,700	
Trans. fund loans granted	1,200,000			-	-	-	-		-				1,200,000	
LA Comm. On Law Enforcement	40,000			-	-	-	-		-				40,000	
LA Tax Commission	15,200			-	-	-	-		-				15,200	

DE LA CHERIE PARISH SHERRIFF
MONROE, LOUISIANA
FUNDIARY FUND TYPE - AGENCY FUNDS

COMPARING SCHEDULE OF CHANGES IN BALANCES
DATE TO TAKING INDEBTS AND OTHERS
FOR THE YEAR ENDING JUNE 30, 2001 (CONCLUDED)

In	Customer		Govt		Fund		Charging		Criminal		Juvenile		Total	
	Unit	Fund	Unit	Fund	Unit	Fund	Unit	Fund	Unit	Fund	Unit	Fund	Unit	Fund
La Help For Wildlife														01
East Louisiana Biomedical														01
LA Dept of Public Safety														01
Indy's Trust Fund														01
State of LA - CCRB														01
Quadrants Funds:														01
Sheriff's General Fund														01
Police Jury														01
School Board														01
Assessor														01
Clark of Court														01
East Ouachita Correctional Institute														01
C. B. Gentry Hospital														01
West Ouachita Correctional Institute														01
Shreveport School Board														01
Fourth Judicial District														01
Debt to attorney														01
Indigent Defense Fund														01
District Court														01
Indigent expense fund														01
North Louisiana Crime Lab														01
Logans														01
Attorney														01
Prothonotary														01
Rebonds														01
Miscellaneous														01
Other non-invest														01
Total reductions														01
Due to Trading Balances and														01
Others - End of Year														01

OUACHITA PARISH SHERIFF
MONROE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001

Federal Grantor/ Pass-Through Grantor/ Program Title	C.F.D.A. Number	Pass-Through Grantor Number	Grant Identification Number	Federal Expenditures
U. S. Department of Justice				
Blood Program:				
COOS Modified Universal Hitting	16-719	N/A	99QJW70343	\$ 11,353
Local Law Enforcement Block Grant - FY 1999	16-592	N/A	1999-LB-752-8621	161,268
Local Law Enforcement Block Grant - FY 2000	16-592	N/A	2000-LB-601-0086	108,409
				<u>269,767</u>
Pass-Through Programs:				
D.A.R.E. Program	16-579	154-2-005	N/A	62,143
Louisiana Commission on Law Enforcement				
North Delta Division				
Block Training Grant				4,754
Ammunitions Reimbursement				1,000
Training Reimbursement				<u>5,990</u>
Total Expenditures of Federal Awards				<u>\$ 394,009</u>

See notes to Schedule of Expenditures of Federal Awards

**QUACHITA PARISH SHERIFF
MONROE, LOUISIANA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001**

General

The Schedule of Expenditures of Federal Awards presents the activity of all Federal financial assistance programs of the Ouachita Parish Sheriff. The Sheriff's reporting entity is defined in Note 1 to the Sheriff's financial statements. All Federal financial assistance received directly from Federal agencies, as well as Federal financial assistance passed through other government agencies, are included on the schedule.

Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Sheriff's general purpose financial statements.



**Luffey
Huffman
& Monroe**

CPA PROFESSIONAL ASSOCIATION
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Ouachita Parish Sheriff
Monroe, Louisiana**

We have audited the component unit financial statements of the Ouachita Parish Sheriff as of and for the year ended June 30, 2001 and have issued our report thereon dated December 27, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Ouachita Parish Sheriff's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Ouachita Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We did,

Cusachita Parish Sheriff
Monroe, Louisiana

however, note other matters involving the internal control over financial reporting which we have reported to management of the Sheriff in a separate letter dated December 27, 2001.

This report is intended solely for the information and use of the Cusachita Parish Sheriff, management of the sheriff's office, agencies granting funds to the sheriff's office and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



(A Professional Accounting Corporation)

December 27, 2001



**Luttrell
Huffman
& Monroe**

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CERTIFIED PUBLIC ACCOUNTANTS

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Sandra Huffman, CPA
L. Fred Monroe, CPA
Julien Monroey, CPA
Candice S. Cooke, CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

**Ouachita Parish Sheriff
Monroe, Louisiana**

Compliance

We have audited the compliance of the **Ouachita Parish Sheriff** (a component unit of the Ouachita Parish Police Jury - the Sheriff) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major Federal programs for the year ended June 30, 2001. The Sheriff's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the Sheriff's management. Our responsibility is to express an opinion on the Sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Sheriff's compliance with those requirements.

In our opinion, the Sheriff complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

Management of the Sheriff is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the Sheriff's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We have audited the component unit financial statements of the Sheriff as of and for the year ended June 30, 2001 and have issued our report thereon dated December 27, 2001. Our audit was performed for the purpose of forming an opinion on the component unit financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the component unit financial statements. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the component unit financial statements taken as a whole.

This report is intended for the information of management of the Sheriff, Federal awarding agencies and pass-through entities, other entities granting funds to the School Board and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



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December 27, 2001

**OUACHITA PARISH SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001**

Summary of Auditors Results:

- 1)The audit report on the Ouachita Parish Sheriff (the Sheriff) as of and for the fiscal year ended June 30, 2001 was unqualified;
- 2)No reportable conditions were noted in the audit of the financial statements of the Sheriff;
- 3)The audit of the financial statements did not disclose instances of noncompliance which are considered to be material to the component unit financial statements of the Sheriff;
- 4)No reportable conditions in the internal control over major programs were reported in the audit of the Sheriff;
- 5)The auditors' report on the Sheriff's compliance with requirements applicable to each major program was unqualified;
- 6)The audit of the Sheriff's compliance with requirements applicable to each major program did not disclose any findings required to be reported under the provisions of OMB Circular A-133 Section 510(x);
- 7)Major Federal programs for purposes of the report on compliance with the requirements applicable to each major program were Local Law Enforcement Block Grant CFDA 16.582;
- 8)The dollar threshold used to distinguish between Type A and Type B programs was \$300,000; and,
- 9)The Sheriff qualified as a low-risk auditee under the provisions of OMB Circular A-133 section 534.

There were no findings related to the financial statements which are required to be reported under Government Auditing Standards.

There are no findings or questioned costs for Federal awards, including those specified by OMB Circular A-133.



**Luffey
Huffman
& Monroe**

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REPORT
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John L. Luffey, CPA, CMA
Beverly Huffman, CPA,
J. Paul Monroe, CPA,
John Anthony, CPA,
Gordon R. Crooks, CPA

MANAGEMENT LETTER

**To Honorable Richard Fowell
Ouachita Parish Sheriff
Monroe, Louisiana**

In planning and performing our audit of the component unit financial statements of the **Ouachita Parish Sheriff (the Sheriff)** for the year ended June 30, 2001, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the component unit financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 27, 2001 on the component unit financial statements of the Sheriff.

1. Inmate Fund

Finding:

While testing the Inmate Fund, we determined that the general ledger balance was not being reconciled to a listing of the funds that are being held for inmates. Each month the bank was balanced to the running total of the checkbook only. The lack of reconciling the general ledger with the listing of funds held for inmates can result in an inmate being given more or less funds than he is due. It is the fiduciary responsibility of the Correctional Facility to be able to know at all times the balance of funds held for an inmate. This condition has resulted from the change over in accounting software as of February 2001, and the contracting out of the commissary to Midwest Services, Inc. Also there has been a change in the staff responsible for the maintaining of the Inmate Fund. The change over in staff has resulted in the individual, now responsible for the Inmate Fund, not being adequately trained on the software program in order to be able to prepare the needed accounting reports.

Recommendation:

We recommend the staff responsible for inmate accounting be given proper training on the use of the accounting software by the software company. We also recommend that controls be instituted that require the general ledger balance be reconciled to the listing of the amount held for each inmate at the end of each month.

Management Corrective Action Plan:

We have four employees trained on Midwest Software and a detailed listing of all inmates will be prepared each month starting in December 2001 which will be used to reconcile the inmate fund to the general ledger balance.

3. Civil Fund

Finding:

During our test of the Civil Fund, we found the computer program that is being used by the Civil Division of the Sheriff's department has not been completely written to allow the personnel to obtain a monthly general ledger that will list only the transactions for the month. From our test of the accounting records, we observed that the program would create a trial balance, but not a detailed general ledger. Even though all transactions could be traced through the system, it was very voluminous and time consuming.

Recommendation:

We recommend the accounting program used by the Civil Division be completed in a way that would provide a monthly detail general ledger to be run that will agree with the monthly trial balance that is prepared by the system.

Management Corrective Action Plan:

It is agreed that we will finish modification of existing software or we will purchase and install new software and train staff on its use within the next ninety days.

3. Unauthorized Leave

Finding:

During the course of our audit, we became aware of a criminal investigation conducted by the Sheriff's Office regarding an apparent misappropriation of funds. The misappropriation, which occurred in the prior fiscal year, under the administration of the

previous Sheriff, was in the form of the payment of wages to a former employee who had not been on duty at the Sheriff's Office nor was he ill on the days indicated on his employee attendance record. From our review of the employee's attendance record and information obtained by the Sheriff's Office from the United States Air Force Reserve, we determined that during the period from January 1, 2000 through June 30, 2000, the employee reported 264 hours as being worked and another 232 hours of sick leave when he was, in fact, on active duty with the United States Air Force Reserve at Barksdale Air Force Base in Bossier City, Louisiana.

Section A-2 of the Sheriff's sick leave policy defines sick leave as personal sickness or injury or sickness in family. Section C-3 of the policy further provides that an employee shall remain in his residence or approved place of recovery, except for specific exception, the entire sick leave period. Section C-5 states that an employee missing 3 or more consecutive days must furnish a doctor's excuse to be paid for the first 2 days. Finally Section C-7 states that off-duty employment is prohibited when an employee is on sick leave. According to the information obtained, it appears that the employee was, paid for time not worked and that all of these sections of the Sheriff's leave policy have been violated.

The results of the Sheriff's investigation were turned over to the Ouachita Parish District Attorney who, in May, 2001 declined prosecution. The District Attorney's Office recommended the Sheriff's office pursue the collection of these overpaid amounts through the civil court system.

Recommendation:

We recommend that the Sheriff pursue civil remedies to recover any over payment to the former employee. The Sheriff should also continue to monitor employee attendance records and the use of leave time to ensure compliance with stated policy.

Management Corrective Action Plan:

The Ouachita Parish Sheriff's Office is currently in civil litigation with the former employee. The Sheriff's attorney will pursue the civil action necessary to recover all funds through the civil court system. Employee time sheets and use of leave time are continually monitored to ensure compliance with departmental policy.



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December 27, 2001